

SANTA CRUZ COUNTY ECONOMIC FORECAST

Santa Cruz County is located on the central coast of California, and behind San Francisco, it is the second smallest county in terms of physical size. Santa Cruz County has a population of 276,200 people and 109,200 wage and salary jobs. The per capita income in Santa Cruz County is \$57,919 and the average salary per worker is \$53,090.

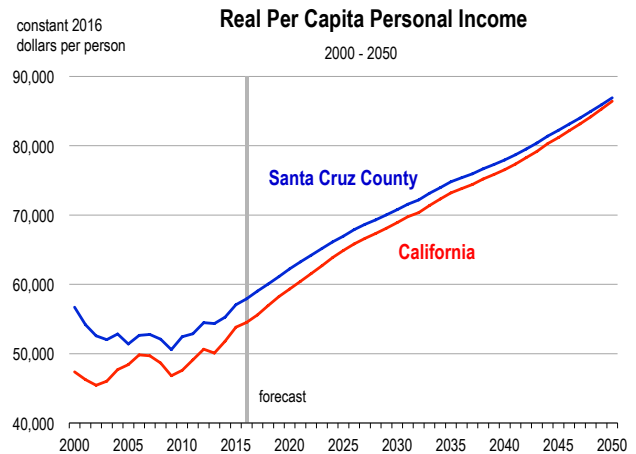
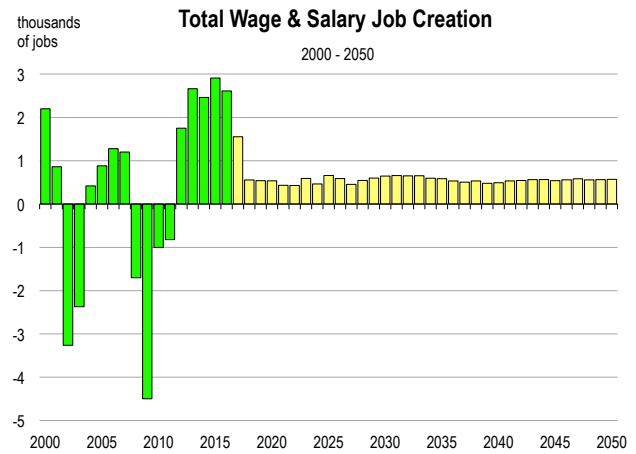
In 2016, a total of 2,600 wage and salary jobs were gained in Santa Cruz County, representing a growth rate of 2.5 percent. The unemployment rate improved during the year, dropping from 7.5 percent in 2015 to 6.9 percent in 2016.

Across employment sectors, the largest job gains occurred in construction (+770 jobs), wholesale and retail trade (+430 jobs), government (+350 jobs), education and healthcare (+380 jobs), and leisure and hospitality (+260 jobs). Meaningful declines were not observed in any major sector.

Between 2011 and 2016, the population of Santa Cruz County grew at an annual average rate of 0.8 percent. High levels of immigration were a contributing factor to this growth, as the county gained an average of 960 net migrants per year.

FORECAST HIGHLIGHTS

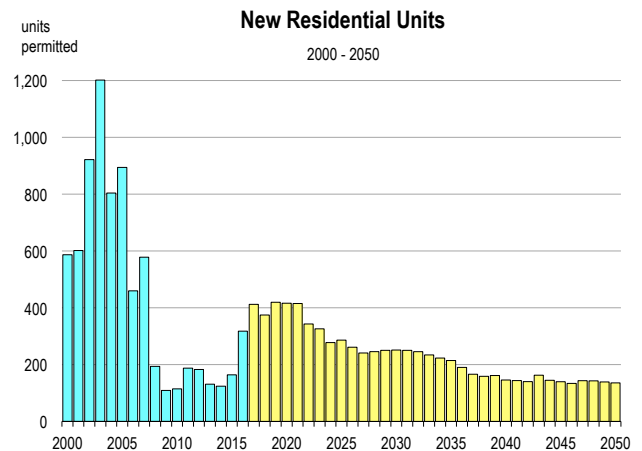
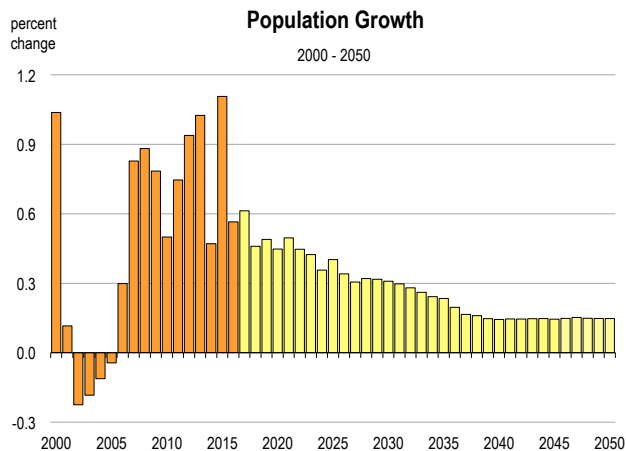
- In 2017, total employment will increase by 1.4 percent. From 2017 to 2022, an annual average growth rate of 0.4 percent is expected.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Santa Cruz County, inflation-adjusted salaries are expected to rise by an average of 2.2 percent per year between 2017 and 2022.
- Between 2017 and 2022, the largest job gains will be observed in education and healthcare, leisure and hospitality, wholesale and retail trade, and professional and business services. Together, these sectors will account for more than 100 percent of net job creation in the county. Losses in construction and manufacturing will offset some of these gains.
- During the 2017-2022 period, the population will increase by 0.5 percent per year.
- Net migration will be low over the forecast period. Between 2017 and 2022, an average of 220 net migrants will enter the county each year, accounting for 17 percent of total population growth.
- Real income per capita will increase by 1.9 percent in 2017. From 2017 to 2022, real income per capita is expected to increase by 1.7 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.3 percent per year between 2017 and 2022.
- Industrial production is projected to increase by 5.9 percent in 2017. During the 2017-2022 period, industrial production will increase by an average of 0.3 percent per year.
- Farm production is forecast to increase by 0.9 percent per year between 2017 and 2022. The principal crop in the county is the strawberry.



Santa Cruz County Economic Forecast

2010-2016 History, 2017-2050 Forecast

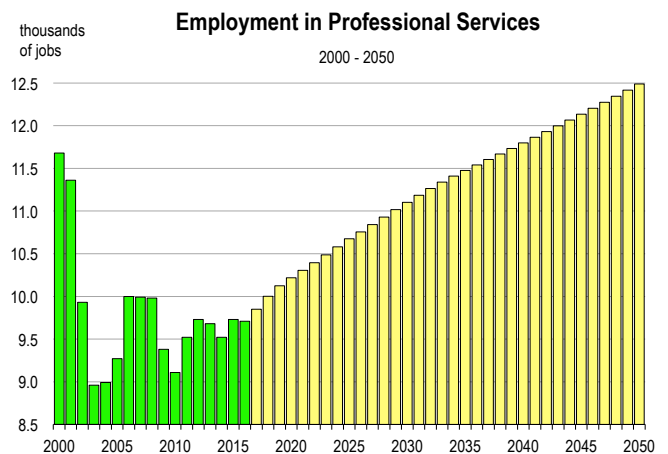
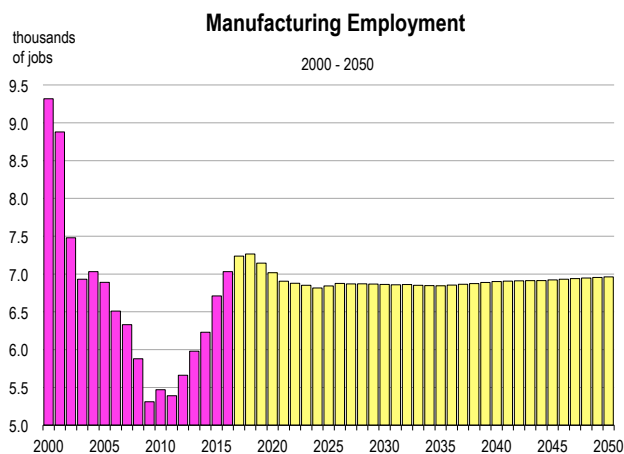
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	263,220	-276	242.9	94.3	115	\$2.7	\$12.3	\$52,434	1.3	0.58	1.35	13.3
2011	265,183	413	241.5	94.5	188	\$2.8	\$12.8	\$52,859	2.7	0.61	1.27	13.1
2012	267,672	1,005	241.0	95.1	183	\$3.0	\$13.6	\$54,472	2.7	0.59	1.36	11.9
2013	270,416	1,492	249.4	96.2	131	\$3.2	\$13.9	\$54,341	2.3	0.62	1.47	10.3
2014	271,689	113	252.8	96.6	124	\$3.3	\$14.5	\$55,254	2.8	0.62	1.56	8.7
2015	274,697	1,746	257.4	96.9	164	\$3.5	\$15.3	\$57,051	2.6	0.62	1.73	7.5
2016	276,249	461	262.0	97.2	318	\$3.6	\$16.0	\$57,919	3.0	0.63	1.84	6.9
2017	277,942	595	264.2	97.5	412	\$3.7	\$16.9	\$59,016	3.1	0.64	1.95	6.3
2018	279,219	179	265.9	97.9	375	\$3.8	\$17.7	\$60,029	3.0	0.65	1.98	5.9
2019	280,586	267	267.2	98.3	420	\$4.0	\$18.6	\$61,129	2.6	0.65	1.97	6.0
2020	281,842	156	268.1	98.8	416	\$4.2	\$19.6	\$62,226	3.1	0.66	1.96	6.0
2021	283,240	306	268.7	99.2	415	\$4.4	\$20.6	\$63,265	3.0	0.66	1.96	6.1
2022	284,505	194	268.9	99.7	343	\$4.5	\$21.5	\$64,197	3.0	0.67	1.98	6.1
2023	285,711	153	268.8	100.0	326	\$4.7	\$22.5	\$65,174	3.0	0.67	2.02	6.0
2024	286,730	-7	268.6	100.4	278	\$4.8	\$23.5	\$66,135	2.9	0.68	2.04	6.0
2025	287,883	167	268.2	100.7	286	\$5.0	\$24.4	\$66,957	2.9	0.69	2.08	5.8
2026	288,864	31	267.8	101.0	261	\$5.2	\$25.4	\$67,894	2.8	0.69	2.11	5.7
2027	289,746	-29	267.4	101.3	241	\$5.4	\$26.4	\$68,651	2.9	0.70	2.15	5.6
2028	290,673	54	267.1	101.6	246	\$5.6	\$27.4	\$69,304	2.7	0.70	2.19	5.6
2029	291,595	81	266.9	101.8	250	\$5.8	\$28.4	\$70,030	2.5	0.71	2.24	5.6
2030	292,496	104	266.8	102.1	251	\$6.0	\$29.4	\$70,794	2.4	0.72	2.28	5.6
2031	293,365	113	267.0	102.4	250	\$6.2	\$30.5	\$71,577	2.3	0.72	2.33	5.6
2032	294,187	116	267.5	102.7	246	\$6.5	\$31.5	\$72,195	2.5	0.73	2.38	5.5
2033	294,954	121	268.0	102.9	234	\$6.8	\$32.6	\$73,121	2.1	0.74	2.43	5.5
2034	295,668	112	268.6	103.2	223	\$7.0	\$33.8	\$73,969	2.3	0.75	2.48	5.5
2035	296,361	112	269.5	103.5	214	\$7.3	\$35.0	\$74,802	2.4	0.75	2.53	5.5
2036	296,942	58	270.3	103.7	190	\$7.6	\$36.3	\$75,397	2.8	0.76	2.58	5.5
2037	297,433	44	271.0	103.9	166	\$7.8	\$37.6	\$75,964	2.9	0.77	2.64	5.5
2038	297,909	53	271.8	104.1	159	\$8.1	\$39.0	\$76,683	2.7	0.78	2.70	5.5
2039	298,348	29	272.8	104.3	162	\$8.3	\$40.4	\$77,289	2.9	0.78	2.76	5.5
2040	298,777	32	273.7	104.5	146	\$8.6	\$41.8	\$77,941	2.8	0.79	2.83	5.5
2041	299,212	45	274.8	104.7	144	\$8.9	\$43.3	\$78,708	2.6	0.80	2.89	5.5
2042	299,647	46	276.0	104.9	140	\$9.1	\$44.9	\$79,528	2.5	0.81	2.95	5.4
2043	300,088	50	277.3	105.0	163	\$9.4	\$46.4	\$80,399	2.4	0.82	3.02	5.4
2044	300,530	46	278.6	105.2	145	\$9.6	\$48.0	\$81,385	2.2	0.83	3.08	5.4
2045	300,966	32	279.8	105.4	140	\$9.9	\$49.6	\$82,230	2.4	0.83	3.15	5.4
2046	301,412	38	280.9	105.6	134	\$10.1	\$51.3	\$83,119	2.3	0.84	3.22	5.4
2047	301,871	45	282.0	105.8	143	\$10.4	\$53.0	\$84,015	2.3	0.85	3.29	5.4
2048	302,320	31	283.0	105.9	143	\$10.7	\$54.8	\$84,944	2.3	0.86	3.36	5.4
2049	302,767	31	284.1	106.1	139	\$11.0	\$56.7	\$85,915	2.3	0.87	3.44	5.4
2050	303,214	30	285.0	106.3	136	\$11.3	\$58.7	\$86,933	2.3	0.88	3.51	5.4

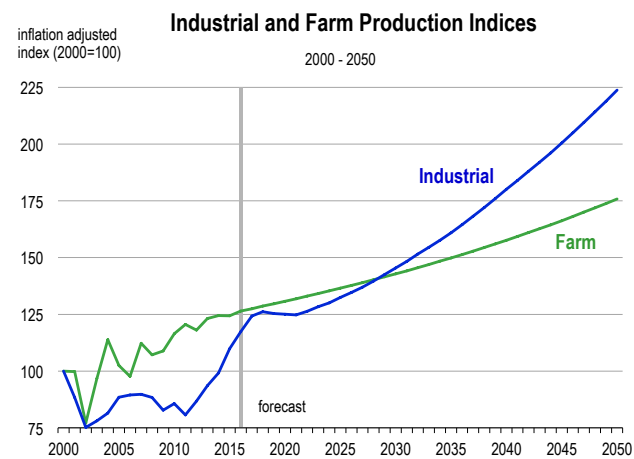
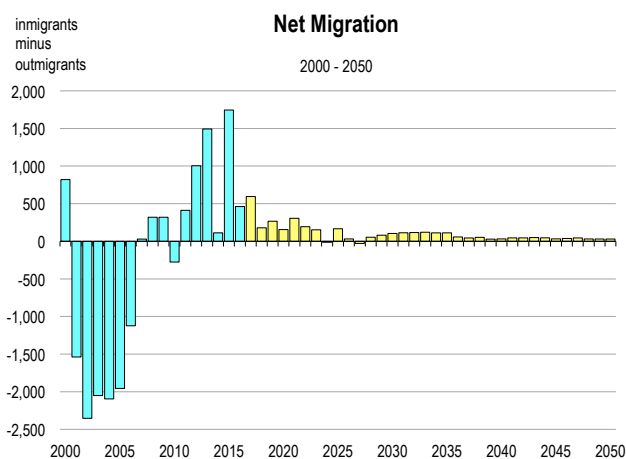
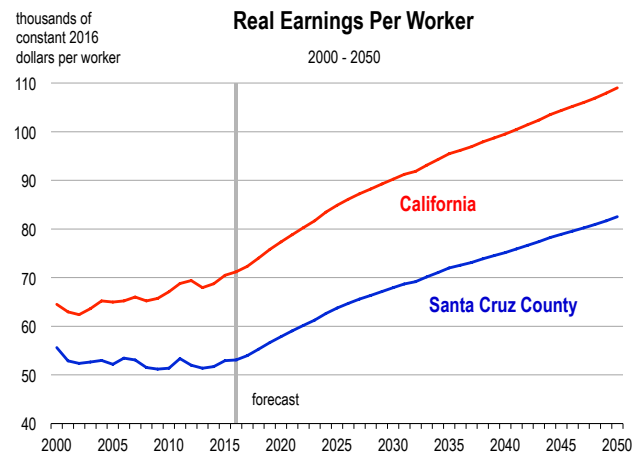
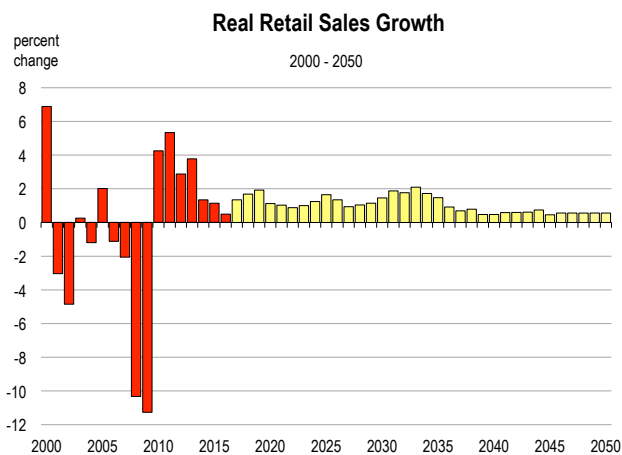


Santa Cruz County Employment Forecast

2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	97.6	9.6	3.0	5.5	1.5	14.9	3.3	9.1	0.9	15.1	10.9	20.3
2011	96.8	8.6	2.9	5.4	1.5	14.7	3.1	9.5	0.9	15.4	11.1	20.3
2012	98.6	8.4	3.0	5.7	1.4	14.8	3.2	9.7	0.8	15.8	11.6	20.4
2013	101.2	8.3	3.2	6.0	1.4	15.0	3.4	9.7	0.8	16.5	12.2	20.6
2014	103.7	8.5	3.4	6.2	1.3	15.3	3.5	9.5	0.8	16.9	12.9	21.1
2015	106.6	8.3	3.7	6.7	1.5	15.5	3.5	9.7	0.8	17.3	13.6	21.4
2016	109.2	8.3	4.5	7.0	1.5	16.0	3.6	9.7	0.8	17.5	13.9	21.8
2017	110.8	8.3	4.5	7.2	1.6	16.2	3.6	9.8	0.8	17.8	14.1	22.0
2018	111.3	8.3	4.5	7.3	1.6	16.4	3.6	10.0	0.8	17.9	14.2	21.9
2019	111.9	8.3	4.5	7.1	1.6	16.6	3.7	10.1	0.8	18.1	14.3	21.9
2020	112.4	8.4	4.5	7.0	1.6	16.7	3.7	10.2	0.8	18.3	14.4	22.1
2021	112.8	8.4	4.4	6.9	1.6	16.7	3.7	10.3	0.8	18.4	14.6	22.1
2022	113.3	8.4	4.3	6.9	1.6	16.8	3.7	10.4	0.8	18.6	14.7	22.1
2023	113.8	8.4	4.3	6.9	1.6	16.9	3.7	10.5	0.8	18.8	14.9	22.2
2024	114.3	8.4	4.2	6.8	1.6	17.0	3.7	10.6	0.8	19.0	15.0	22.2
2025	115.0	8.4	4.2	6.8	1.6	17.1	3.7	10.7	0.8	19.3	15.0	22.3
2026	115.6	8.4	4.2	6.9	1.6	17.2	3.7	10.8	0.8	19.5	15.1	22.4
2027	116.0	8.4	4.2	6.9	1.6	17.3	3.7	10.8	0.8	19.7	15.1	22.5
2028	116.6	8.4	4.2	6.9	1.6	17.3	3.7	10.9	0.8	19.9	15.2	22.6
2029	117.1	8.3	4.2	6.9	1.6	17.4	3.7	11.0	0.8	20.1	15.3	22.7
2030	117.8	8.3	4.2	6.9	1.6	17.5	3.7	11.1	0.8	20.3	15.3	22.8
2031	118.5	8.3	4.2	6.9	1.6	17.6	3.7	11.2	0.8	20.5	15.4	22.9
2032	119.1	8.3	4.2	6.9	1.6	17.8	3.7	11.3	0.8	20.8	15.5	23.0
2033	119.8	8.3	4.2	6.9	1.6	17.9	3.7	11.3	0.8	21.0	15.6	23.1
2034	120.4	8.3	4.2	6.8	1.6	18.0	3.7	11.4	0.8	21.2	15.7	23.2
2035	120.9	8.3	4.2	6.8	1.6	18.1	3.7	11.5	0.8	21.4	15.8	23.3
2036	121.5	8.3	4.2	6.9	1.6	18.1	3.7	11.5	0.8	21.7	15.9	23.4
2037	122.0	8.2	4.2	6.9	1.6	18.2	3.7	11.6	0.8	21.9	16.0	23.5
2038	122.5	8.2	4.2	6.9	1.6	18.2	3.7	11.7	0.8	22.1	16.0	23.6
2039	123.0	8.2	4.2	6.9	1.6	18.3	3.7	11.7	0.8	22.3	16.1	23.6
2040	123.5	8.2	4.2	6.9	1.6	18.3	3.7	11.8	0.8	22.6	16.2	23.7
2041	124.0	8.2	4.2	6.9	1.6	18.3	3.7	11.9	0.8	22.8	16.3	23.8
2042	124.6	8.1	4.2	6.9	1.6	18.4	3.7	11.9	0.8	23.0	16.4	23.9
2043	125.1	8.1	4.2	6.9	1.6	18.4	3.7	12.0	0.8	23.3	16.5	24.0
2044	125.7	8.1	4.2	6.9	1.6	18.5	3.7	12.1	0.8	23.5	16.6	24.1
2045	126.2	8.1	4.2	6.9	1.6	18.5	3.7	12.1	0.8	23.7	16.6	24.2
2046	126.8	8.0	4.2	6.9	1.6	18.5	3.7	12.2	0.8	23.9	16.7	24.3
2047	127.4	8.0	4.2	6.9	1.6	18.6	3.7	12.3	0.8	24.2	16.8	24.5
2048	127.9	8.0	4.2	6.9	1.6	18.6	3.7	12.3	0.8	24.4	16.9	24.6
2049	128.5	7.9	4.2	7.0	1.6	18.6	3.7	12.4	0.8	24.7	17.0	24.7
2050	129.1	7.9	4.2	7.0	1.6	18.7	3.7	12.5	0.8	24.9	17.1	24.8





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	6.8%
Expected job growth:	2.3%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	11.4%

Expected population growth:	2.4%
Net migration to account for:	16.8%
Expected growth in number of vehicles:	1.8%

Demographics (2017)

Unemployment rate (April 2017):	6.9%
County rank* in California (58 counties):	40th
Working age (16-64) population:	67.4%

Population with B.A. or higher:	38.8%
Median home selling price (2016):	\$632,500
Median household income:	\$72,450

Quality of Life

Violent crime rate (2015):	408 per 100,000 persons
County rank* in California (58 counties):	34th
Average commute time to work (2017):	29 minutes

High School drop out rate (2016):	7.2%
Households at/below poverty line (2017):	8.9%

* The county ranked 1st corresponds to the lowest rate in California